ABSTRACT: Mass customization refers to a customer co-design process of products and services which meet the needs of each individual customer with regard to certain product features. All operations are performed within a fixed solution space, characterized by stable but still flexible and responsive processes. As a result, the costs associated with mass customization allow for a price level that does not imply a switch in an upper market segment. The opportunities of mass customization are acknowledged as fundamentally positive by theory and empirical studies for many years. Several companies are already successfully operating after this new business model. But many of them are rather small start-ups which utilize the novelty effect of mass customization to enter mature markets. Large scale mass customization operations seem to be still limited to a few examples. The objective of the presentation is to discuss a number of propositions about the state and genus of mass customization as a distinctive business model. This will also include a review of recent research in the area and a discussion of promising fields for future study.

BIO: Frank Piller is an associate professor of management at TUM Business School, Technische Universitaet Muenchen. Presently, he is on an extended leave to work at the MIT Sloan School of Management (BPS, Innovation and Entrepreneurship Group), Massachusetts Institute of Technology in Cambridge, MA. His recent research focuses on value co-creation between firms and customers/users and related issues at the interface between innovation management, operations management, and marketing. Frequently quoted in The Financial Times, The Economist, and Business Week, amongst others, he is regarded as one of the leading experts on mass customization. His 1997 article in the German edition of the Harvard Business Review and his first book on mass customization (1998) brought this topic on the management agenda in Germany and other European countries. Frank Piller graduated summa cum laude with a Ph.D. in Operations Management from the University of Wuerzburg, Germany in 1999, where he received a master's degree in business administration in 1994, too. In Spring 2005, he finalized his habilitation (tenure track evaluation, requirement for full chair professorships in Europe) at TUM Business School. He is a fellow of the German Scholarship Foundation and a founding member of the European Academy of Management. His research is supported by grants from industry and the German Federal Ministry of Research (BMBF), the European Community, and other institutions.

CONTACT: Dr. Frank Thomas Piller, MIT Sloan School of Management, BPS / Technological Innovation & Entrepreneurship Group, 50 Memorial Drive, Room E52-513, Cambridge, MA 02139, USA, Tel (+1) 617.230-3748, piller@mit.edu, http://www.aib.ws.tum.de/piller and http://www.mass-customization.de.